



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Friday, February 27, 2015
11:00 a.m.
State Capitol, Conference Room 308

in consideration of
HB 1296, HD1
RELATING TO ENERGY.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) supports HB 1296, HD1. DBEDT supports the amendment which removes the provision of establishing the Hydrogen Implementation Authority and instead designates the director of the Hawaii Center for Advanced Transportation Technologies (HCATT) of the High Technology Development Corporation as the State Hydrogen Implementation Coordinator to support the deployment of hydrogen infrastructure.

In its statutory role as energy resources coordinator for the State's energy planning, policy and strategy agenda, DBEDT will continue to work collaboratively with HCATT, both as a member of the hydrogen implementation working group and through overarching energy systems and transportation strategic planning and analysis activities.

DBEDT is currently engaged in a transportation energy planning analysis, or "charrette" analysis, to provide the underlying assessments, analysis, and recommendations for an updated Hawaii Clean Energy Initiative transportation plan to significantly reduce the consumption of petroleum products in Hawaii's transportation sector. The analysis will include an exploration into the degree to which hydrogen fuel cell and plug-in electric vehicles can contribute to

reductions in petroleum-based fuels in the transportation sector. Collaborating with HCATT on the planning and deployment of these advanced transportation technologies will greatly contribute to reducing Hawaii's reliance on petroleum in the transportation sector.

Thank you for the opportunity to offer our support of HB 1296, HD1.



Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON FINANCE

February 27, 2015
11:00 AM
State Capitol, Conference Room 308

In consideration of
HB 1296 HD 1 RELATING TO ENERGY

Chair Luke, Vice Chair Nishimoto and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits testimony in support of the intent of HB 1296 HD 1, a measure regarding efforts to implement a hydrogen economy in Hawaii.

While HSDC supports the exploration of hydrogen as a reasonable alternative to imported oil, it is important that any related policies be also consistent with the Hawaii Clean Energy Initiative.

The proposed scope of work and goals of HB 1296 HD 1 are obtainable within the existing framework of the Hydrogen Investment Capital Special Fund, although HSDC does recommend minor changes to portions of Section 211F-HRS to allow HSDC to more properly administer the funds appropriated for this purpose (see following pages).

Thank you for the opportunity to provide comments on this measure.

§211F-5.7 Hydrogen Clean energy investment capital special fund.

(a) There shall be established the hydrogen clean energy investment capital special fund, into which shall be deposited:

- (1) Appropriations made by the legislature to the fund;
 - (2) All contributions from public or private partners;
 - (3) All interest earned on or accrued to moneys deposited in the special fund; and
 - (4) Any other moneys made available to the special fund from other sources.
- (b) Moneys in the fund shall be expended by the corporation to:
- (1) Provide seed capital for and venture capital investments in private sector and federal projects for research, development, testing, and implementation of the Hawaii renewable hydrogen program, as set forth in section 196-10; the Hawaii clean energy initiative as set forth in section 196-10.5; and
 - (2) For any other purpose deemed necessary to carry out the purposes of section 196-10 and section 196-10.5. [L 2006, c 240, §7; am L 2012, c 240, §4]

§211F-7 Actions of corporation; guidelines. (a) All actions taken by the corporation shall be necessary to achieve the purposes and objectives of this chapter. The corporation shall evaluate all programs after three years to determine their effectiveness. The corporation shall establish rules to assure equal opportunity to minority-owned businesses, and shall encourage the development of minority-owned businesses. The corporation shall support and encourage participation by Hawaii companies in federal grant programs, such as the Small Business Innovation Research Program.

(b) Financial participation shall be made on the condition that the recipient of the assistance shall utilize the money to assist economic development projects within the State that have potential for creating new jobs or retaining current jobs within the State.

(c) Financial participation by the corporation in private financial investment funds shall be made with the provision that the private fund shall make investments in Hawaii in amounts at least equal to the amount of state participation.

(d) The corporation shall not make direct investments in individual businesses except upon a two-thirds vote of the board in each case considered. When deciding whether to enter into a direct investment, the corporation shall consider whether:

- (1) The project is economically sound;
- (2) The project can be successfully completed;
- (3) The project will promote economic diversification;
- (4) The project is located in or will locate in the State and has a reasonable potential to create desirable employment opportunities for residents of the State;

Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2015
11:00 a.m.
State Capitol, Conference Room 308
In consideration of

HB1069 HD1 RELATING TO ENERGY.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports the intent with requested amendments** of HB 1296 HD1 relating to energy.

For the past decade, HTDC's Hawaii Center for Advanced Transportation Technologies (HCATT) program has been recognized as a national leader in hydrogen demonstration projects. HCATT projects include the renewable hydrogen refueling station at Joint Base Pearl Harbor – Hickam, three hybrid hydrogen fuel cell busses, and a hydrogen fuel cell refueling truck. HCATT has been a strong supporter for hydrogen and has the expertise to deliver on projects.

HTDC supports designating the HCATT manager as the State Hydrogen Implementation Coordinator. HTDC suggests the bill should acknowledge and preserve the State's Energy Resources Coordinator (ERC) authority over energy policy issues. HTDC comments that the report in section 3 would require an appropriation. HTDC defers to the appropriate department on section 2 of the bill.

Thank you for the opportunity to offer these comments.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, HI Inst. for Public Affairs
Joseph Boivin, Hawai'i Gas
Warren Bollmeier, HI Renewable Energy Alliance
Albert Chee, Chevron
Elizabeth Cole, The Kohala Center
Leslie Cole-Brooks, HI Solar Energy Assn
Kyle Datta, Ulupono Initiative
Mitch Ewan, UH HI Natural Energy Institute
Jay Fidell, ThinkTech HI, Inc.
Carl Freedman, Haiku Design & Analysis
Sen. Mike Gabbard, HI State Senate
Dan Giovanni, Hawaiian Electric Company
Mark Glick, State Energy Office, DBEDT
Justin Gruenstein, City & Co. of Honolulu
Dale Hahn, Ofc of US Sen Brian Schatz
Michael Hammett, Research Corp. of the UH
Randy Iwase, Public Utilities Commission
Rachel James, Ofc of US Rep. Tulsi Gabbard
Jim Kelly, Kaua'i Island Utility Cooperative
Darren Kimura, Energy Industries
Kelly King, Sustainable Biodiesel Alliance
Rep Chris Lee, HI House of Representatives
Gladys Marrone, Building Industry Assn of HI
Doug McLeod, Maui County
Stephen Meder, UH Facilities and Planning
Lauren Montez-Hernandez, Ofc of Sen Mazie Hirono
Sharon Moriawaki, UH So. Sci. Public Policy Ctr
Ron Nelson, U.S. Defense Energy Support Center
Tim O'Connell, U.S. Dept of Agriculture
Jeffrey Ono, Division of Consumer Advocacy, DCCA
Darren Pai, Hawaiian Electric Company
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Perreira, HI Government Employees Assn
Rick Rocheleau, UH HI Natural Energy Institute
Will Rolston, Hawai'i County
Riley Saito, SunPower Systems Corp
Joelle Simonpietri, U.S. Pacific Com. Energy Ofc
H. Ray Starling, Hawaii Energy
Ben Sullivan, Kaua'i County
Lance Tanaka, Hawaii Independent Energy
Maria Tome, Public Utilities Commission
Ah Linn Yamane, HI Government Employees Assn

Testimony of Mitch Ewan
Chair, Transportation Working Group
Hawaii Energy Policy Forum

Before the
House Committee on Finance

Friday, February 27, 2015, 11:00 a.m., Conference Room 308

IN SUPPORT OF HB1296 HD1 - Relating to Energy

Chair Luke, Vice Chair Nishimoto, and Members of the Committee,

I am Mitch Ewan, Chair of the Transportation Working Group of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals and our support for this bill.

HB1296 HD1 designates the director of Hawaii Center for Advanced Transportation Technologies (HCATT), under HTDC/DBEDT, to serve as the state hydrogen implementation coordinator who will convene a working group to facilitate implementation of hydrogen infrastructure. HNEI completed a Hawaii Renewable Hydrogen Plan (2010 to 2020) under Section 196-10, HRS, to achieve a hydrogen economy, including development of the infrastructure comprised of renewable energy resources, hydrogen production systems, hydrogen storage, hydrogen delivery and hydrogen dispensing systems; but without a responsible agency to execute, the plan has not advanced.

HB1296 HD1 specifies that the director of the Hawaii Center for Advanced Transportation Technologies (HCATT) of the High Technology Development Corporation (HTDC) shall serve as the state hydrogen coordinator. It also directs the state hydrogen coordinator to facilitate the establishment of infrastructure and policies across all agencies of the State to promote the expansion of hydrogen-based energy in Hawaii.

The Forum supports HB1296 HD1 because it would promote the reduction of the State's reliance on imported fossil fuel, greenhouse gas emissions, and air pollution and provide clean energy transportation options for the state. The Forum also supports the selection of the HCATT director as most appropriate to serve as the state hydrogen coordinator.

The Forum therefore respectfully urges passage of the bill. Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies

**Testimony of
Gary M. Slovin / Mihoko E. Ito
on behalf of
The Alliance of Automobile Manufacturers**

DATE: February 26, 2015

TO: Representative Sylvia Luke
Chair, Committee on Finance

Submitted Via FINtestimony@capitol.hawaii.gov

RE: **H.B. 1296, HD1 – Relating to Energy**
Hearing Date: Friday, February 27, 2015, 11:00 a.m.
Conference Room: 308

Dear Chair Luke and Members of the Committee on Finance:

On behalf of the Alliance of Automobile Manufacturers (“Alliance”) we submit these comments in regard to H.B. 1296, HD1. The Alliance is a trade association of twelve car and light truck manufacturers including BMW Group, Fiat Chrysler Automobiles, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of North America, and Volvo.

The Alliance is very supportive of efforts to support the development of Hydrogen as a fuel for motor vehicles. We are aware that the Department of Business Economic Development and Tourism is supportive of the development of alternative fuels. We defer to the Department as to whether this measure is needed to promote the development of Hydrogen but remain ready and willing to help in the pursuit of Hydrogen as a feasible alternative fuel. The industry has invested billions of dollars in the research and development of Hydrogen.

Thank you for the opportunity to testify.

Gary M. Slovin
Mihoko E. Ito
C. Mike Kido
Tiffany N. Yajima

999 Bishop Street, Suite 1400
Honolulu, HI 96813
(808) 539-0840

finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2015 11:37 AM
To: FINTestimony
Cc: henry.lifeoftheland@gmail.com
Subject: Submitted testimony for HB1296 on Feb 27, 2015 11:00AM

HB1296

Submitted on: 2/25/2015

Testimony for FIN on Feb 27, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Henry Curtis	Life of the Land	Comments Only	Yes

Comments: Almost all hydrogen produced in the U.S. (95%) is derived from fossil fuel. Hawaii in some sections of law but not in others specifies that the law refers only to green (renewable) hydrogen not black (fossil fuel) hydrogen. This bill should be focused only on green hydrogen.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Bill van den Hurk, President
Dave Rolf, Executive Director

HADA testimony with COMMENTS on
HB1296
RELATING TO ENERGY

Presented to the House Committee on Finance
at the public hearing to be held
11 a.m. Thursday, February 27, 2015
in Conference Room 325, Hawaii State Capitol

by the Members of the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers

Chair Luke and Members of the Committee:

I am David Rolf, representing the members of the Hawaii Automobile Dealers Association, Hawaii's franchised new car dealers, who have remained strong in their support of the transition to renewable energy for use in vehicles in Hawaii. Hydrogen fuel cell electric vehicles are key to that transition.

At a January 2015 charrette (working group meeting) hosted by the Department of Business and Economic Development, the group concluded that Hawaii should designate a State Hydrogen Implementation Coordinator, similar to the coordinator in California, who was present at the meeting.

The director of the Hawaii Center for Advance Transportation and Technology seemed the appropriate designee. The position is currently filled by Stan Osserman, a knowledgeable leader in the area of hydrogen fuel technology. He is also a general in the Hawaii National Guard, which provides him a clear understanding of the military's active role in Hawaii regarding the adoption of hydrogen fuel cell technology.

With the designation of HCATT and its director as the hydrogen implementation coordinator, HADA will be in strong support of HB1296.

Establishing a fuel-using market base for the build out of hydrogen fueling station infrastructure in Hawaii to serve these vehicles is key to the fulfillment of the ground transportation goals of the Hawaii Clean Energy Initiative. The market base for hydrogen vehicles could be established by the transition of some of the State of Hawaii's vehicle fleet, which, along with vehicles which could be added from the federal GSA fleet in Hawaii, and the addition of City and County of Honolulu vehicles which could be transitioned to HFCEV, and would allow fueling infrastructure to be created simultaneously, as private HFCEVs are introduced to Hawaii.

The White House has already established a focus on adoption of such vehicles in the GSA fleet.

Hawaii is preparing to host the World Conservation Congress, September 1-10, 2016, and a story showing how the Federal, State and City and County governments work together to create hydrogen vehicle demand for hydrogen fueling stations is KEY at this time.

Certainly, Hawaii has been given much in the form of clean energy resources for the production of renewable fuels.

Hawaii, in fact, has been chosen by the U.S. Department of Energy for a focus on the development of hydrogen fuel cell electric vehicles. The State of California and an East Coast corridor around Boston are the two others areas in the country which have been chosen.

But it will be up to state, and local governments, auto dealers, private investors and the auto driving public in Hawaii to send a signal to the world's automobile manufacturers that Hawaii has prepared well for the transition to hydrogen.

Our renewable energy resources are there for all to see. Here's the chart from the auto show:

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 27, 2015 11:32 AM
To: FINTestimony
Cc: michael@hawaiiicleanenergyfoundation.org
Subject: *Submitted testimony for HB1296 on Feb 27, 2015 11:00AM*

HB1296

Submitted on: 2/27/2015

Testimony for FIN on Feb 27, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael	Hawaii Clean Energy Foundation	Support	No

Comments:

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finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 27, 2015 8:02 AM
To: FINTestimony
Cc: carl.campagna@kamakagreen.com
Subject: *Submitted testimony for HB1296 on Feb 27, 2015 11:00AM*

LATE

HB1296

Submitted on: 2/27/2015

Testimony for FIN on Feb 27, 2015 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Campagna	Individual	Support	No

Comments:

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Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2015
11:00 a.m.
State Capitol, Conference Room 308
In consideration of

LATE

HB1269 HD1 RELATING TO ENERGY.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports the intent with requested amendments** of HB 1296 HD1 relating to energy.

For the past decade, HTDC's Hawaii Center for Advanced Transportation Technologies (HCATT) program has been recognized as a national leader in hydrogen demonstration projects. HCATT projects include the renewable hydrogen refueling station at Joint Base Pearl Harbor – Hickam, three hybrid hydrogen fuel cell busses, and a hydrogen fuel cell refueling truck. HCATT has been a strong supporter for hydrogen and has the expertise to deliver on projects.

HTDC supports designating the HCATT manager as the State Hydrogen Implementation Coordinator. HTDC suggests the bill should acknowledge and preserve the State's Energy Resources Coordinator (ERC) authority over energy policy issues. HTDC comments that the report in section 3 would require an appropriation. HTDC defers to the appropriate department on section 2 of the bill.

Thank you for the opportunity to offer these comments.

Testimony of Vincent Paul Ponthieux
Director & CTO
Blue Planet Research

Before the
House Committee on Finance

Friday, February 27, 2015, 11:00 a.m., Conference Room 308



IN SUPPORT OF HB1296 HD1 - Relating to Energy

Chair Luke, Vice Chair Nishimoto, and Members of the Committee,

I am Vincent Paul Ponthieux, Chief Technology Officer of Blue Planet Research on the Big Island. Blue Planet Research, created in 2008, was formed to evaluate renewable systems with a focus on energy storage technologies and integration controls to promote renewable distributed energy use in Hawaii.

Hydrogen is one of the key elements of our system designs because the flexibility it offers as an energy carrier. We have worked closely with HCATT and have very aligned goals with respect to the role of hydrogen in moving the state away from a fossil fuel based transportation model dependent on imported oil-to a sustainable model built on renewable energy and locally produced renewable hydrogen.

HB1296 HD1 specifies that the director of the Hawaii Center for Advanced Transportation Technologies (HCATT) of the High Technology Development Corporation (HTDC) shall serve as the state hydrogen coordinator. It also directs the state hydrogen coordinator to facilitate the establishment of infrastructure and policies across all agencies of the State to promote the expansion of hydrogen-based energy in Hawaii.

Blue Planet Research supports HB1296 HD1 because it would promote the reduction of the State's reliance on imported fossil fuel, greenhouse gas emissions, and air pollution. Blue Planet Research also supports the selection of the HCATT director as the state hydrogen coordinator.

Blue Planet Research therefore respectfully urges passage of the bill. Thank you for the opportunity to testify.

This testimony reflects the position of the Blue Planet Research as a whole.